

# LEGISLATIVE AUDIT DIVISION

Scott A. Seacat, Legislative Auditor  
John W. Northey, Legal Counsel  
Tori Hunthausen, IT & Operations Manager



Deputy Legislative Auditors:  
Jim Pellegrini, Performance Audit  
James Gillett, Financial-Compliance Audit

To: Members of the Legislative Audit Committee

From: Jim Pellegrini, Deputy Legislative Auditor, Performance Audits

Date: November 4, 1999

Re: Other State information regarding lodging facility use tax collections and tourism promotion

## INTRODUCTION

The Legislative Audit Committee requested comparative information regarding lodging facility use tax collections and tourism expenditures in other states. We surveyed states with a statewide lodging facility use tax to obtain information related to the tax. We also contacted the state tourism offices in these states to obtain information on their operations. We compiled the information and compared it to similar information from Montana.

Representative Barnhart requested a cost breakdown of a familiarization tour organized and run by the Glacier Country Tourism Region called "A Festive Mood" tour. The purpose of this tour was to show members of the media various fairs and festivals that occur in the region. We have attached information provided by Glacier Country tourism officials that discuss events visited, total costs of the familiarization tour and the publicity values of articles written about the tour. Publicity values are estimates of what equivalent advertising costs would be for print and broadcast media. Additionally, Travel Montana provided us with information for three different types of familiarization tours they organized and the publicity values they generated. Travel Montana also provided a copy of their 1998 publicity value report for newspaper publicity. Travel Montana officials believe this report gives a good idea of the exposure the state received from newspaper articles written about the state in newspapers around the country and what the cost for equivalent advertising space would be.

As requested, we have also attached copies of reports providing the names of lodging facilities located in each of the committee member's districts. These reports came from the Department of Revenue's listing of lodging facilities in the state.

The following sections discuss the information we collected and compiled from other states for lodging facility use taxes and state tourism activities.

## LODGING FACILITY USE TAXES

The 1987 Legislature imposed a four percent Lodging Facility Use Tax on the price of overnight lodging. Lodging facility operators in Montana collect this tax from users of their facilities. All lodging facilities in the state must collect the lodging tax from their patrons. This includes hotels, motels, bed and breakfast facilities, dude/guest ranches, private campgrounds and RV parks. According to Travel and Tourism: State Tourism Taxes published by the National Conference of State Legislatures, nineteen states around the country have state lodging taxes on the price of overnight lodging. We obtained information regarding tax collections from sixteen of these states. Like Montana, the majority of states contacted require all lodging facilities to assess this tax.

### Lodging Facility Use Tax Rates

A wide range of tax rates exists among the states we contacted with the average tax rate being slightly over five percent. Tax rates range from a low of 1 percent (Nebraska & South Dakota) to a high of 12 percent (Connecticut). Montana's four percent tax rate is near the middle of this range and more than one percent below the average rate of the states contacted. The following table illustrates the state tax rates on overnight lodging in the states we contacted.

**Table 1**  
State Lodging Facility Use Tax Rates

	<b>Tax</b>		<b>Tax</b>
<b>State</b>	<b>Rate</b>	<b>State</b>	<b>Rate</b>
Connecticut	12%	Arizona	5.5%
Vermont	9%	Alabama	4%
New Hampshire	8%	Montana	4%
Maine	7%	Arkansas	2%
South Carolina	7%	Idaho	2%
Texas	6%	South Dakota	1%
Illinois	6%	Nebraska	1%
Massachusetts	5.7%		
<b>Average Rate</b>			<b>5.35%</b>

Source: Compiled by the LAD from information obtained from other states.

We also contacted the State of Oklahoma. They charge a 0.1 percent tourism tax on the price of tourist attractions, which includes overnight lodging, amusement parks, zoos, and museums. Oklahoma combines collections from the various facilities and does not distinguish from where taxes were collected. Therefore, it was not possible to determine the amount of specific lodging taxes collected by the State of Oklahoma so we did not include them in our discussion on lodging taxes. We were able to include Oklahoma in our discussion on state tourism activities, which is later in this document.

### Lodging Facility Tax Collections

Montana does not track lodging facility use tax collections by whether the tax was paid by residents or nonresidents. This information is also not tracked by any of the states contacted. Therefore, it is not possible to determine the amount of taxes paid by residents and nonresidents in any of these states. We noted large differences in the amount of lodging taxes collected by the states contacted. In fiscal year 1997-98, the average amount of collections was approximately \$49 million with amounts ranging from slightly under \$2.3 million (Nebraska) to just over \$199 million (Texas). Montana's \$10 million in lodging facility use tax collections ranks eleventh among the states contacted and \$39 million below the average. Table 2 provides information on the amount of lodging taxes collected in each state contacted.

**Table 2**  
State Comparison of Lodging Facility Use Tax Collections  
FY 1997-98

	<b>Lodging Tax</b>		<b>Lodging Tax</b>
	<b>Collections</b>		<b>Collections</b>
<b>State</b>	<b>FY 1997-98</b>	<b>State</b>	<b>FY 1997-98</b>
Texas	\$199,197,946	New Hampshire	\$24,502,455
Illinois	\$139,877,060	Vermont	\$22,436,492
Massachusetts	\$96,156,013	Montana	\$10,031,971
Arizona	\$88,522,655	Arkansas	\$7,494,842
Connecticut	\$55,800,000	Idaho	\$4,438,976
Maine	\$28,909,902	South Dakota	\$2,925,533
South Carolina	\$27,792,323	Nebraska	\$2,351,319
Alabama	\$25,245,516		
<b>Average Tax Collections</b>			<b>\$49,045,533</b>

Source: Compiled by LAD from data obtained from other states.

There are a number of reasons for the wide range of tax collections among the states contacted. One contributing factor is the differing tax rates among the states. However, a higher tax rate does not necessarily mean a state will collect more lodging taxes than a state with lower rates. For example, Connecticut has the highest tax rate (12 percent) but ranks fifth in total collections among the states we contacted. Montana and Alabama each have a four percent lodging tax but Alabama collected approximately \$15 million more than Montana. Bigger factors affecting the amount of taxes collected relates to the state's population and geographic location. The three states with the highest level of tax collections are also the three most populous states we contacted. Additionally, states located along the eastern seaboard and in the south generally have higher collections than other states. An official from one state we contacted believed this is because these areas of the country are highly populated and have a significant amount of travel between these states.

### Per Resident Tax Collections

To try and standardize the population effect and to further examine lodging facility use tax collections, we calculated the amount of taxes collected per state resident. As Table 3 indicates, these amounts range from \$1.41 in Nebraska to \$37.97 in Vermont. Montana has the eighth highest collection total per resident for the states contacted at \$11.39. Average lodging facility use tax collections per resident for all the states contacted is \$12.77.

**Table 3**  
Lodging Tax Collections Per Resident

<b>Lodging Tax Collections</b>		<b>Lodging Tax Collections</b>	
<b><u>State</u></b>	<b><u>Per Resident</u></b>	<b><u>State</u></b>	<b><u>Per Resident</u></b>
Vermont	\$37.97	Texas	\$10.08
Maine	\$23.23	South Carolina	\$ 7.25
New Hampshire	\$20.68	Alabama	\$ 5.80
Arizona	\$18.96	South Dakota	\$ 3.96
Connecticut	\$17.04	Idaho	\$ 3.61
Massachusetts	\$15.64	Arkansas	\$ 2.95
Illinois	\$11.52	Nebraska	\$1.41
Montana	\$11.39		
		<b>Average Collections Per Resident</b>	<b>\$12.77</b>

Source: Compiled by the LAD from other states information.

Because tax rates vary from state to state, we further standardized the comparison by comparing the amount of tax collected per resident for each percent of tax. Breaking down our analysis in this manner eliminates the factor of varying tax rates and provides a per resident comparison for every percentage of tax assessed. Table 4 depicts lodging tax collections using this analysis.

**Table 4**  
**Lodging Tax Per Resident Per 1% of Tax**

<u>State</u>	<b>Tax Per Resident Per 1% of tax</b>	<u>State</u>	<b>Tax Per Resident Per 1% of tax</b>
Vermont	\$ 4.22	Idaho	\$ 1.81
South Dakota	\$ 3.96	Texas	\$ 1.68
Arizona	\$ 3.45	Arkansas	\$ 1.48
Maine	\$ 3.32	Alabama	\$ 1.45
Montana	\$ 2.85	Connecticut	\$ 1.42
Massachusetts	\$ 2.74	Nebraska	\$ 1.41
New Hampshire	\$ 2.58	South Carolina	\$ 1.04
Illinois	\$ 1.92		
		<b>Average</b>	<b>\$ 2.36</b>

Source: Compiled by the LAD from other states information.

As the table indicates, collections range from a low of \$1.04 in South Carolina to \$4.22 in Vermont. The average for the states contacted was \$2.36. Montana's \$2.85 of collections per resident for every one percent of tax which ranks fifth among the states contacted and slightly above the average.

It is important to note that there are variations on where states rank in the amount of lodging tax collections depending how the data collected is calculated. For example, Texas has significantly higher total collections than any other state contacted. However, Texas has the tenth highest collection total when calculated on a per resident basis for each one percent of tax. Other examples of states ranking fairly low in total collections but higher when calculating taxes per resident per one percent tax include Vermont, South Dakota, and Montana.

#### How Are Lodging Taxes Used?

States with a statewide lodging tax use tax collections in a number of different ways. Seven states (including Montana) use at least a portion of tax revenues to fund the state-level tourism promotion efforts. All seven states dedicate a certain percentage of lodging tax collections to the state tourism office. Percentages range from 25 percent in Alabama to 100 percent in Arkansas, Idaho, Nebraska, and South Dakota. Montana dedicates 67.5 percent of total tax collections to Travel Montana for tourism and film promotion in the state.

Nine states deposit either all or some portion of lodging taxes collected to the state's general fund. States where 100 percent of lodging facility use taxes goes to the general fund include Maine, Massachusetts, Rhode Island, Texas, and Vermont. None of the lodging facility use tax collected in Montana goes to the general fund. Five states (including Montana) provide some lodging facility tax revenues to local entities such as tourism districts or cities and counties. South Carolina gives all taxes collected back to the city or county where taxes were collected but guarantees each city and county \$50,000 regardless of how much was collected in that entity.

## STATE TOURISM

We contacted several states to discuss the tourism promotion activities of their state tourism offices. The majority of states contacted were those with a state lodging facility use tax. In general, we found most state tourism offices have similar programs and conduct similar activities. This includes activities such as electronic (Internet and television) advertising, print advertising, media tours, and tourism conventions. Many states also have grant programs and international marketing programs. This section provides a discussion of state tourism offices in the states we contacted. Information provided includes tourism office funding, tourism promotion expenditures, total travelers, and how much money travelers spend in each state.

### Differences Exist in how States Define/Track Visitation

During discussions with officials from other state tourism offices, we noted states often follow different procedures in how they monitor tourism activity. These differences result in different methodologies on how tourism data is compiled among the states we contacted. Therefore, it is difficult to make an “apples-to-apples” comparison. The following provides examples of some differences in how states track tourism activity.

- Some states track combined travelers (resident and nonresident) while others only track nonresident travelers.
- Many states use different criteria to define travelers. Some define travelers as anyone traveling in the state. Some states define travelers as those who traveled at least 50 miles and others define travelers as those who traveled at least 100 miles.
- There are differences in the types of information states track in regards to tourism activity. For example, some states track the average lengths of time travelers spend in the state and others do not.
- States use different research entities to compile tourist data. For example, some states use national research firms while other states use research entities associated with a state university or the state tourism office. The methodologies employed by these entities to obtain data is not necessarily the same. Some states do not conduct travel research or only track activity at specific tourist attractions.

### Tourism Promotion Expenditures

We obtained information related to tourist promotion activities from several state tourism offices. Information obtained included tourism promotion expenditures for fiscal year 1997-98 and the most recent figures for total travelers in each state (All are 1998 numbers except Vermont which is 1997 data). We also obtained data from the U.S. Census Bureau regarding the population in each state.

We compiled data related to tourism promotion expenditures that was provided by the states we contacted. This data is provided in the next five tables. Tables 5 and 6 rank each state based on the amount of their tourism promotion expenditures during fiscal year 1997-98. Tables 7 and 8 rank the states by tourism promotion expenditures per resident. Table 9 ranks certain states by

tourism promotion expenditures per nonresident traveler. Some states did not provide data or did not have sufficient data so they were not included in the tables.

**Table 5**  
**State Rank by Tourism Promotion Expenditures**  
FY 1997-98

<u>State</u>	<u>Funding Source</u>	<b>FY 1997-98 Tourism Promotion Expenditures</b>
Illinois	Lodging tax	\$35,300,000
Arkansas	Combination	\$10,260,450
Massachusetts	General fund	\$ 9,800,000
Alabama	Combination	\$ 8,552,707
Oklahoma	Combination	\$ 8,303,488
Arizona	Combination	\$ 8,288,000
Montana	Lodging tax	\$ 7,007,811
Vermont	General fund	\$ 5,056,920
Idaho	Lodging tax	\$ 4,081,604
Maine	General fund	\$ 3,600,000
South Dakota	Lodging tax	\$ 2,800,000
New Hampshire	General fund	\$ 2,300,000
Rhode Island	General fund	\$ 2,250,342
<b>Average</b>		<b>\$ 8,277,024</b>

Source: Compiled by LAD from information provided by  
other state tourism offices.

Based on information provided by the states contacted, the average tourism promotion expenditures in fiscal year 1997-98 was slightly more than \$8.2 million. As table 5 illustrates, expenditures range from \$2.2 million in Rhode Island to \$35.3 million in Illinois. Montana ranks near the middle with \$7 million in expenditures. This is approximately \$1 million less than the average expenditure for the states contacted.

The four state tourism offices listed in table 6 that receive funding through lodging taxes had the highest average expenditures. Much of this is due to Illinois having expenditures over \$35 million. If Illinois were not included, states funded through a combination of general fund and lodging tax monies would have had significantly higher average expenditure. States funded through the general fund had the lowest average expenditures. The following table shows the average tourism expenditures by funding source for the states we contacted.

**Table 6**  
**Average Tourism Promotion Expenditures by Funding Source**

<b>Funding Source</b>	<b>Average Tourism Promotion Expenditures</b>
Lodging tax	\$12,297,353
Combination	\$ 8,851,161
General fund	\$ 4,601,452

Source: Compiled by LAD from information provided by other state tourism offices.

To further examine tourism promotion expenditures for the states contacted, we calculated the expenditures on a per capita basis. As shown in table 7, state rankings change when tourism promotion expenditures are calculated in this manner. For example, Vermont and Montana ranked in the middle of the states for total tourism promotion expenditures but have the highest per capita expenditures among the states we contacted. Per capita expenditures in these states are more than twice the average for the states we contacted. Illinois ranked at the top in total expenditures but in the middle on a per capita basis and less than the average per capita expenditures.

**Table 7**  
**State Rank by Tourism Promotion Expenditures Per Resident**

		<b>FY 1997-98</b>	<b>Promotion</b>
	<b>1998</b>	<b>Tourism Promotion</b>	<b>Expenditures</b>
<b>State</b>	<b>Population</b>	<b>Expenditures</b>	<b>Per Resident</b>
Vermont	590,883	\$ 5,056,920	\$ 8.56
Montana	880,453	\$ 7,007,811	\$ 7.96
Arkansas	2,538,303	\$10,260,450	\$ 4.04
South Dakota	738,171	\$ 2,800,000	\$ 3.79
Idaho	1,228,684	\$ 4,081,604	\$ 3.32
Illinois	12,145,326	\$35,300,000	\$ 2.91
Maine	1,244,250	\$ 3,600,000	\$ 2.89
Oklahoma	3,346,713	\$ 8,303,488	\$ 2.48
Rhode Island	988,480	\$ 2,250,342	\$ 2.28
Alabama	4,351,999	\$ 8,552,707	\$ 1.97
New Hampshire	1,185,048	\$ 2,300,000	\$ 1.94
Arizona	4,668,631	\$ 8,288,000	\$ 1.78
Massachusetts	6,147,132	\$ 9,800,000	\$ 1.59
<b>Average</b>			<b>\$ 3.50</b>

Source: Compiled by LAD from information provided by other state tourism offices.



We calculated the average per capita spending for tourism promotion by funding source. As table 8 indicates, the state tourism offices funded by lodging taxes have the highest per capita spending.

**Table 8**  
Average Per Resident Tourism Promotion Expenditures by Funding Source

<u>Funding Source</u>	<u>Average/Resident Tourism Promotion Expenditures</u>
Lodging tax	\$ 4.50
General fund	\$ 3.45
Combination	\$ 2.56

Source: Compiled by LAD from information provided  
by other state tourism offices.

The states we interviewed indicated their major marketing efforts focus on attracting nonresident travelers to visit their states. It is important to note, however, states do not measure traveler numbers in similar ways. For example, several states we contacted count both resident and nonresident travelers even though most of their promotion efforts are directed at nonresidents. Montana only compiles data on the total number of nonresident travelers, which is where marketing efforts are directed.

To determine the amount states spend to attract nonresident travelers, we calculated the costs per nonresident traveler for states that track nonresident travel. As shown below, Alabama and Montana have the highest average expenditures. Montana has the second highest promotion expenditures per traveler at 76 cents per traveler.

**Table 9**  
Promotion Expenditures per Nonresident Traveler

	<b>1998</b>	<b>FY 1997-98</b>	<b>Expenditures</b>
	<b>Nonresident</b>	<b>Promotion</b>	<b>Per Nonresident</b>
<b>State</b>	<b>Travelers</b>	<b>Expenditures</b>	<b>Traveler</b>
Alabama	9,006,816	\$ 8,552,707	\$ 0.95
Montana	9,270,000	\$ 7,007,811	\$ 0.76
Arizona	16,104,000	\$ 8,288,000	\$ 0.51
Massachusetts	20,567,470	\$ 9,800,000	\$ 0.48
Maine	24,308,000	\$ 3,600,000	\$ 0.15
			<b>Average \$0.57</b>

Source: Compiled by the LAD from information provided by other states.

### Percentage of Resident and Nonresident Travelers

Montana does not track resident travelers so the breakout of resident and nonresident travel in the state is not known. We interviewed officials from other state travel offices to determine if they track the percentage of resident and nonresident visitors. Only four states we contacted (Arizona, Maine, Massachusetts, and South Carolina) compile data that breaks out resident and nonresident travel in their state. For the states that track information in this manner, nonresidents constituted an average of 69.5 percent of total travelers and residents an average of 30.5 percent. None of these states compile data that shows how much lodging tax nonresident visitors paid while in the state.

The following table shows the percentage of nonresident travelers and resident travelers for the states that compile this information.

**Table 10**  
Percentage of Resident and Nonresident Travelers

<u>State</u>	<i>Percentage</i>	
	<u>Residents</u>	<u>Nonresidents</u>
Arizona	34%	66%
Maine	41%	59%
Massachusetts	23%	77%
South Carolina	24%	76%
Average	30.5%	69.5%

Source: Compiled by the LAD from information provided by other states.

### Traveler Spending

All of the states we contacted compile information regarding total traveler spending in their state. Most states also track the average spending per traveler and the average length of time travelers are in the state. Using the information provided by these states we developed a comparison of traveler spending.

Information compiled included total traveler expenditures, average spending per traveler, and average spending per traveler per day. Tables 11 and 12 provide the information we compiled. The states of Connecticut, Idaho, Illinois, and Nebraska either did not provide data or did not have data that was current or compiled in a manner to provide a comparison.

**Table 11**  
**State Comparison of Average Spending Per Traveler**

	<b>Total Traveler</b>	<b>Average</b>
	<b>Spending in</b>	<b>Spending Per</b>
<b>State</b>	<b>State</b>	<b>Traveler</b>
Alabama	\$ 5,400,000,000	\$ 600
Arizona	\$10,900,000,000	\$ 447
Massachusetts	\$10,190,200,000	\$ 381
South Carolina	\$ 6,700,000,000	\$ 220
Oklahoma	\$ 2,829,816,000	\$ 198
Arkansas	\$ 3,418,800,000	\$ 178
Montana	\$ 1,500,000,000	\$ 162
Vermont	\$ 2,200,000,000	\$ 140
Maine	\$ 4,900,000,000	\$ 119
New Hampshire	\$ 2,600,000,000	\$ 104
Rhode Island	\$ 2,502,800,000	\$ 58
		<b>Average \$237</b>

Source: Compiled by LAD from information provided by other states.

**Table 12**  
**State Comparison of Spending Per Traveler Per Day**

	<b>Total Traveler</b>	<b>Average</b>	<b>Average</b>	<b>Spending</b>
	<b>Spending in</b>	<b>Spending Per</b>	<b>Length of</b>	<b>Per Traveler</b>
<b>State</b>	<b>State</b>	<b>Traveler</b>	<b>Stay (Days)</b>	<b>Per Day</b>
Alabama	\$ 5,400,000,000	\$ 600	N/A	N/A
New Hampshire	\$ 2,600,000,000	\$ 104	N/A	N/A
Massachusetts	\$10,190,200,000	\$ 381	2.1	\$ 181
Arizona	\$10,900,000,000	\$ 447	4.2	\$ 106
South Carolina	\$ 6,700,000,000	\$ 220	2.4	\$ 92
Oklahoma	\$ 2,829,816,000	\$ 198	2.2	\$ 90
Maine	\$ 4,900,000,000	\$ 119	2.0	\$ 60
Arkansas	\$ 3,418,800,000	\$ 178	3.3	\$ 54
Rhode Island	\$ 2,502,800,000	\$ 58	1.3	\$ 45
Vermont	\$ 2,200,000,000	\$ 140	3.5	\$ 40
Montana	\$ 1,500,000,000	\$ 162	4.3	\$ 38
				<b>Average \$78</b>

N/A – This information not formally tracked by state

Source: Compiled by the LAD from information provided by other states.

As Table 11 shows, average spending per traveler ranges from \$58 in Rhode Island to \$600 in Alabama. The average for all the states that provided information is \$237. According to

information provided by the Institute for Travel and Tourism, spending per traveler in Montana in 1998 was \$162. As shown in table 12, Montana has the lowest average spending per traveler per day among the states contacted at \$38 per traveler per day. The average for the states that provided information was \$78 per traveler per day. Some reasons Montana's average per day spending is lower may be because travelers spend more time in Montana than other states or potentially higher costs for tourist activities in other states. Montana has the highest average length of stay for travelers followed closely by Arizona. Arizona's average per day spending is almost three times higher than Montana's. Some reasons for this may be due to Arizona having more business travelers and certain types of visitors (e.g. snow birds) spending several months in the state and, consequently, spending more money.

### Return-on-Investment

One way to determine a state's return-on-investment for money spent on promotion is to calculate the ratio of traveler spending to tourism promotion expenditures. The following table ranks the return-on-investment of the dollars spent to promote tourism for state tourism offices that provided data. We have segregated Alabama and Montana apart from the other states because they are the two states which specifically track nonresident travel expenditures.

**Table 13**  
Return-on-Investment of Tourism Promotion Dollars

<b>State</b>	<b>FY 1997-98 Tourism Promotion Expenditures</b>	<b>Total Traveler Spending in State</b>	<b><u>Return-on</u> <u>Investment</u></b>
Maine	\$ 3,600,000	\$ 4,900,000,000	\$ 1,361
Arizona	\$ 8,288,000	\$10,900,000,000	\$ 1,315
New Hampshire	\$ 2,300,000	\$ 2,600,000,000	\$ 1,130
Rhode Island	\$ 2,250,342	\$ 2,502,800,000	\$ 1,112
Massachusetts	\$ 9,800,000	\$10,190,200,000	\$ 1,040
Illinois	\$35,300,000	\$21,000,000,000	\$ 595
Vermont	\$ 5,056,920	\$ 2,200,000,000	\$ 435
Oklahoma	\$ 8,303,488	\$ 2,829,816,000	\$ 341
Arkansas	\$10,260,450	\$ 3,418,800,000	\$ 333
Alabama	\$ 8,552,707	\$ 5,400,000,000	\$ 631
Montana	\$ 7,007,811	\$ 1,500,000,000	\$ 214

Source: Compiled by the LAD from information provided by other states.

Based on the information provided by other states, Montana has the lowest return-on-investment of the states we contacted. This may be somewhat misleading, however, since most states also include spending from in-state travelers. This increases the return-on-investment for dollars spent attracting out-of-state tourists by including money spent by travelers that the state did not actively market their product to. Alabama is the only other state we contacted that only tracks

nonresident travelers. As the table shows, their return-on-investment lies near the middle of all the states but still significantly higher than Montana's.

To further analyze and compare the return-on-investment for money spent on promotional activities, we calculated the per capita return-on-investment for each state we contacted. Table 14 ranks the return-on-investment on a per capita basis for the states we contacted. As in the previous table, we segregated Montana and Alabama since they are the two states which specifically track nonresident travel expenditures.

**Table 14**  
**Return-on-Investment (Per Capita)**

State	1998 Population	Total Traveler Spending in State	Per Capita Return-On- Investment
Maine	1,244,250	\$ 4,900,000,000	\$ 3,938
Vermont	590,883	\$ 2,200,000,000	\$ 3,723
Rhode Island	988,480	\$ 2,502,800,000	\$ 2,532
Arizona	4,668,631	\$10,000,000,000	\$ 2,335
New Hampshire	1,185,048	\$ 2,600,000,000	\$ 2,194
Illinois	12,145,326	\$21,000,000,000	\$ 1,729
Massachusetts	6,147,132	\$10,190,200,000	\$ 1,658
Arkansas	2,538,303	\$ 3,418,800,000	\$ 1,347
Oklahoma	3,346,713	\$ 2,829,816,000	\$ 845
Montana	880,453	\$ 1,500,000,000	\$ 1,704
Alabama	4,351,999	\$ 5,400,000,000	\$ 1,241

Source: Compiled by the LAD from information provided by other states.

As the table shows, the per capita return-on-investment ranges from \$845 in Oklahoma to \$3,938 in Maine. Montana lies near the middle of all the states with a per capita return-on-investment of \$1,704. Montana's return-on-investment is approximately \$460 higher than Alabama's per capita return-on-investment.